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Henry Walker
(615) 252-2363
Fax: (615) 252-6363
Email: hwalker@boultcummings.com

T.R.A. DOCKET ROOM

July 31, 2003

Deborah Taylor Tate, Chairman
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN

Re: Delta Phones, Inc.
Docket 03-00425

Dear Chairman Tate:

As of the today, Delta Phones, has

- Paid the TRA's annual inspection, control and supervision fee of \$2,028 plus \$812 in late fee penalties,
- Paid BellSouth \$25,000 as agreed to at the last TRA agenda conference, and
- Filed a petition for approval of a change of control resulting from a stock sale last December.

Delta Phones has still not finalized an arrangement with an insurance company to file a \$20,000 surety bond or letter of credit with the TRA as required by T.C.A. § 65-4-125 (j). The company is required to file similar bonds in other states and is in the process of negotiating a multi-state arrangement with a carrier. Delta Phones has informed me that the carrier expects to have those arrangements complete and a bond filed within ten days.


Although Delta Phones is still not in compliance with the bond requirement,¹ the carrier has obviously made substantial progress since the last Authority conference. Delta Phones will soon be in full compliance with all TRA regulatory requirements and is looking forward to addressing the merits of the outstanding billing disputes with BellSouth.

¹ As you know, the purpose of the bond is to "secure the payment of any monetary sanction" by or on behalf of the Authority. Delta Phones has had no complaints filed at the TRA and, at this time, has very few remaining customers in Tennessee.

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Very truly yours,

BOULT, CUMMINGS, CONNERS & BERRY, PLC

By: 
Henry Walker

HW/pp
Cc Guy Hicks